



**United States Department of Justice
United States Attorney's Office
District of Minnesota**

**Frank J. Magill,
United States Attorney**

David Anderson, Public Affairs Specialist
(612) 664-5684; cell: (612) 730-2251

News Release

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Third man pleads guilty to conspiracy to violate U.S. export regulations

The last of three men pleaded guilty last week in federal court to exporting material from the United States to Singapore, Hong Kong and the People's Republic of China in violation of the export regulations of the U.S.

Jian Wei Ding, 50, Singapore, pleaded guilty to one count of conspiracy to violate the Export Administration Regulations. Ding entered his plea on March 20 in Minneapolis before U.S. District Court Chief Judge Michael Davis.

The other two defendants have also pleaded guilty to one count of conspiracy. Ping Cheng, 46, Manhasset, N.Y., entered his plea on Feb. 13, and Kok Tong Lim, 36, Singapore, entered his plea on March 9. All three men were indicted on Oct. 28, 2008.

According to their respective plea agreements, each defendant admitted that from March 23, 2007 through April 6, 2008, they conspired to violate the Export Administration Regulations by exporting and attempting to export from the U.S. to Singapore, Hong Kong and the People's Republic of China high-modulus carbon-fiber material without an export license issued by the U.S. Commerce Department. For national security, nuclear proliferation and antiterrorism reasons, the U.S. government requires a license to export these materials. The carbon-fiber material the defendants sought to export has applications in rockets, satellites, spacecraft and uranium enrichment.

Ding exercised control over several Singaporean import/export companies, one of which was in the business of acquiring high-technology items for its customers. One of those customers is the China Academy of Space Technology, which oversees research institutes working on spacecraft systems for the People's Republic of China.

According to the plea agreements, Ding's role in the conspiracy was to manage the companies; to maintain a relationship with the Chinese end-users of the Toray material; and to provide the money required to purchase the Toray material. Cheng's role was to act as the U.S.

agent for Ding's companies, and Lim's role was to reach out to U.S. suppliers of high-technology items to be purchased.

The defendants worked with an undercover Minnesota company that purported to be a supplier of aerospace commodities. Ding admitted that he sent Cheng to Minnesota to inspect Toray material on two separate occasions, and Ding also admitted that on April 7, 2008, he instructed Cheng to export the Toray material to Singapore and Hong Kong without the required export license.

Cheng admitted that on May 18, 2007, he traveled from New York to Minnesota to inspect 104 kilograms of Toray material prior to its final acceptance by Ding's companies. On June 4, 2007, Cheng admitted instructing his freight forwarder to transport the Toray material to New York for storage before it would be illegally exported from the U.S.

Cheng also admitted that on July 13, 2007, he again came to Minnesota to inspect 211 kilograms of Toray material and ordered it to be transported to New York on Aug. 3, 2007. Cheng admitted that on April 13, 2007, he ordered the exportation of 211 kilograms of Toray material to Hong Kong, and that on April 16, he ordered the exportation of 104 kilograms of Toray material to Singapore.

Lim admitted that he urged the Minnesota company to place an order for Toray material on behalf of Ding's companies.

Ding, Lim and Cheng face a potential maximum penalty of 20 years in prison. The three men also face a potential maximum penalty of a \$1 million fine. Chief Judge Davis will determine their sentences at a future date.

This case is the result of an investigation by the U.S. Department of Homeland Security, Immigration and Customs Enforcement and U.S. Department of Commerce-Bureau of Industry and Security, Office of Export Enforcement. It is being prosecuted by Assistant U.S. Attorney David J. MacLaughlin.